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Re: Docket No. LC 70 – Multnomah County’s Comments on PacifiCorp’s IRP

I. Introduction

Multnomah County thanks the Oregon Public Utility Commission (“OPUC” or the “Commission”) for the opportunity to comment on the 2019 Integrated Resource Plan (“IRP”) that PacifiCorp filed with the Commission on October 18, 2019. In these comments, we argue that PacifiCorp should: 1) target more rapid and ambitious coal retirements; 2) seek only non-emitting resources in subsequent requests for proposals (“RFPs”); 3) continue to evaluate the performance of its coal fleet; 4) consider more demand response resources; 5) explore how community-based resources can meet its system needs; 6) integrate the renewable energy goals of Oregon communities in future IRPs; and 7) continue to improve its stakeholder engagement process.

We submit these comments because local governments are well positioned to express the will of the community as local government officials are directly accountable to their community members. We have heard loud and clear that decision makers, including utilities and their regulators, are not moving far enough nor fast enough to address the greatest threat to current and future generations: the threat of the climate crisis.

The climate crisis is not an academic threat; climate change is a public health emergency already impacting the well-being of communities in Multnomah County, throughout Oregon, and around the world.¹ These impacts will fall first and worst on the most vulnerable members of our

¹ Multnomah County, *Public Health leaders call on lawmakers to take action to curb climate change* (Feb. 4, 2020), <https://multco.us/multnomah-county/news/public-health-leaders-call-lawmakers-take-action-curb-climate-change>

communities,² the same community members it is Multnomah County’s core mission to protect. To avoid the worst impacts of climate change by dramatically reducing greenhouse gas (“GHG”) emissions in Multnomah County and across the state, we must: 1) significantly invest in conservation; 2) eliminate greenhouse gases from our electricity supply; and 3) electrify as many of our energy uses as possible. We must take each of these actions through an equity/justice lens to ensure that frontline and vulnerable community members are not harmed and instead have opportunities to lead and to thrive through a just energy transition.

The IRP process provides a critical opportunity to shape the short, medium and long term commitments of our utility partners towards these goals. With this in mind, Multnomah County is eager to participate in this and future deliberations at the OPUC. We thank you for your consideration of these comments.

II. Oregon electric utilities must plan to significantly reduce GHG emissions

Addressing the climate crisis requires collective action to rapidly reduce GHG emissions, including through minimizing electric sector emissions. Indeed, the Intergovernmental Panel on Climate Change (“IPCC”) reported that “limiting global warming to 1.5° C would require rapid and far-reaching transitions in energy.”³ In this context, it is imperative that electric utilities’ resource planning processes accurately account for the full costs associated with GHG emissions and that they do not continue to underestimate the economic risks to their customers associated with emitting resources in their fleet.

Electric utilities resource planning processes and the regulatory process that oversees them should reflect the urgency that the climate crisis warrants. Specifically, to accurately account for the costs associated with GHG emissions, Oregon electric utilities should rely on the social cost of carbon “SCC” in portfolio construction and selection.⁴ GHG emissions pose an economic risk to customers beyond what traditional IRP modeling can capture.⁵ As a result, utilities should also prioritize GHG emission reductions in their resource planning and procurement to avoid underestimating the economic risk to customers associated with emitting resources.⁶ As expressed by Bob Jenks, Executive Director of the Citizens Utility Board of Oregon, “inherently, every ton of carbon emissions we can get rid of has economic value to the customers.”⁷

² *Id.*

³ Intergovernmental Panel on Climate Change, *Special Report: Global Warming of 1.5°C*, Summary for Policy Makers at 15 (Oct. 8, 2018), https://www.ipcc.ch/site/assets/uploads/sites/2/2019/05/SR15_SPM_version_report_LR.pdf.

⁴ As table 8.4 in the 2019 IRP shows, relying on the SCC would have resulted in additional GHG emission reductions and earlier coal retirements at a relatively small price difference under conservative carbon cost assumptions.

⁵ See Bob Jenks, Remarks at the Commission Workshop for Docket No. LC 73 at 1:55 (Oct. 31, 2019) (available at https://oregonpuc.granicus.com/MediaPlayer.php?view_id=2&clip_id=435).

⁶ *See Id.*

⁷ *Id.*

III. PacifiCorp should target drastically higher GHG emission reductions

In the 2019 IRP, PacifiCorp proposes to take a step in the right direction by retiring well over one gigawatt of coal generation in the action plan window. However, PacifiCorp should take more assertive and timely action to decarbonize its generation portfolio. For example, PacifiCorp's best performing portfolios with regards to emission reductions would retire additional coal early and achieve additional cost effective emissions reductions even under medium gas/carbon cost assumptions. Specifically, PacifiCorp should target more rapid and ambitious coal retirements, especially of those units found to be uneconomic today, while also increasing the share of clean energy resources that serve its customers.

PacifiCorp's integrated resource planning process should put the company on a trajectory to meet the GHG emission reduction goals and energy policies of the state of Oregon, Multnomah County, the City of Portland, and other communities that PacifiCorp serves. With the adoption of the 2015 Portland/Multnomah joint Climate Action Plan, the County and City set a goal to reduce GHG emissions across the County by 80% below 1990 levels by 2050. Currently, 28% of greenhouse gas emissions in Multnomah County come from the use of electricity, making the transition away from emitting resources a critical climate strategy. In addition, Multnomah County and the City of Portland jointly adopted a goal of having 100% of our electricity needs supplied with renewable energy by 2035. While PacifiCorp's 2019 IRP signals movement in the right direction, it does not go far enough to set the company on a trajectory to achieve our local goals or the GHG emission reduction goal set by the state of Oregon.

IV. PacifiCorp's upcoming RFP should seek non-emitting resources

PacifiCorp's 2019 IRP shows that clean energy resources, including renewables and energy storage, are the best fit for PacifiCorp's system needs. It also signals and a movement away from new thermal additions in the action plan window. As a result, we strongly encourage PacifiCorp to issue an RFP that seeks non-emitting resources, including renewable energy resources, to meet its system needs. PacifiCorp describes its preferred portfolio as one that "advances PacifiCorp's long-term vision . . . for a future where energy is delivered affordably, reliably and without greenhouse gas emissions."⁸ An RFP for non-emitting resources would be more consistent with that preferred portfolio than an all-source RFP while ensuring that any procurements are consistent both with that preferred portfolio and with PacifiCorp's long-term vision.

⁸ PacifiCorp's 2019 IRP at 1 (Oct. 18, 2019).

V. PacifiCorp should continue to perform coal analyses in future IRPs

We support stakeholder requests that PacifiCorp continues to perform a coal analysis in future IRPs, and understand that PacifiCorp has signaled a commitment to continuing evaluating the economics of its coal units.⁹ We encourage the Commission to include in its Order guidance on how it would like PacifiCorp to structure that evaluation for the 2021 IRP cycle, with an eye to incorporating lessons from the 2019 IRP cycle as well as stakeholder feedback. This analysis should focus on identifying uneconomic coal units. The IRP should then address plans to retire them so that Multnomah County and Oregon ratepayers do not have to bear the additional costs associated with running these polluting resources and are protected from future rate shock as more aggressive climate policy is enacted.

VI. PacifiCorp should be more active on demand response

We share concerns raised by NW Energy Coalition (“NWEC”), the Citizens’ Utility Board, and Commission Staff about the absence of meaningful demand response resources in the planning period and the lack of demand response resource additions in Oregon. As a result, we support NWEC’s request that PacifiCorp adds a demand response request for proposals to the 2019 IRP action plan and appreciate PacifiCorp’s willingness to “discuss[] NWEC’s suggestion to engage in a separate RFP process for DR . . . to evaluate the market for the acquisition of cost-effective DR resources.”¹⁰ We encourage the company to time a demand response RFP to allow a meaningful comparison of demand response products with supply-side options.

Our response to the climate crisis requires a far-reaching transformation of the energy sector and demand-side actions are one of the pillars of that transformation. Thanks in part to their cost and risk profile, demand resources warrant serious consideration.¹¹ For example, Portland General Electric (“PGE”) has been able to successfully leverage demand response in Oregon.¹² PacifiCorp should also meaningfully explore demand response resource additions as this type of resource not only brings system value but that also represents opportunity for community investment in Multnomah County, an important load center for PacifiCorp.

Finally, PacifiCorp should leverage the value of residential demand response programs. For example, last year PGE launched its Smart Grid Test Bed, a residential demand response program that gives participating customers greater control over their energy use and carbon

⁹ PacifiCorp’s Reply Comments at 7 (Feb. 5, 2020).

¹⁰ *Id.* at 18-19.

¹¹ See Staff’s Opening comments at 33-35 (comparing the levelized cost of demand response products and supply side resources and highlighting the potential value of demand response in light of the regional resource adequacy conversation).

¹² Staff’s Opening Comments at 33.

footprint.¹³ Through this program, PGE was able to reduce its peak by 50 MW last summer while saving its customers money.¹⁴ In contrast, Multnomah County residents served by Pacific Power lack comparable options to contribute to reducing their utility’s peak load and consequently having greater control over their carbon footprint. Yet our residents, like other municipalities in PacifiCorp’s territory, are likely a very receptive customer base for this type of customer empowerment program. Indeed, Multnomah County is a good area for PacifiCorp to pilot residential programs that deliver demand response capabilities and benefits.

VII. PacifiCorp should explore how community-based resources can meet system needs

We encourage PacifiCorp to explore in its 2021 IRP how small scale, community-based resources can play a role in meeting its system needs. We recognize that this is not an issue traditionally addressed in integrated resource planning. However, as the distribution system planning process proceeds, PacifiCorp and other Oregon utilities should explore how to better capture the potential value of distribution-level resources and solutions and incorporate that analysis in the integrated resource planning analysis. An appropriate analysis would recognize the unique value that community-based resources bring, like system reliability, which would be enhanced through localized resources such as grid integrated microgrids that can island in the event of power disruption. This value is especially important in this part of PacifiCorp’s system given the prolonged power disruption that would result from a Cascadia seismic event.

VIII. PacifiCorp should continue to improve its stakeholder engagement process

We encourage PacifiCorp to consider adopting additional changes to its stakeholder engagement process to improve stakeholders’ experience and ability to meaningfully participate. For example, we share stakeholder concerns about the difficulty in providing meaningful feedback or even following the process without a reasonable amount of time to review the materials prior to IRP meetings.

Additionally, we strongly encourage PacifiCorp to consider how to make its IRP process more accessible to additional stakeholders and how to incorporate a values-based conversation in what has traditionally been a highly analytical process. In other words, we encourage PacifiCorp to continue on the path initiated by the SB 978 process to create spaces for a broad range of

¹³ Portland General Electric, *Portland General Electric’s ambitious Smart Grid Test Bed launches* (Jul. 15, 2019), <https://www.portlandgeneral.com/our-company/news-room/news-releases/2019/07-15-2019-portland-general-electri/cs-ambitious-smart-grid-test-bed-launches>

¹⁴ Pat Dooris, *How utility companies lower electricity use by controlling your thermostat*, KGW 8 (Feb. 13, 2020), <https://www.kgw.com/article/news/local/will-you-let-the-power-company-control-your-thermostat/283-8fd6e02-6955-4981-8529-b4cefecc5b7c> (“By asking customers to reduce for just a short period of time, we were able to find 50 megawatts that we didn’t have to purchase on the market. That meant that we saved customers a whole bunch of money,” said Salmi Klotz. The electricity saved was about equal to the amount used to power 40,000 homes for that time period.”)

stakeholders to express what matters to them when it comes to their electric utility, now and in the future, and to commit to do the heavy lifting internally to translate those priorities into utility and regulatory action. Just as we must invest in the capacity of communities that do not usually engage directly in IRPs and other regulatory or utility processes to do so, we must also commit to hearing and honoring voices and perspectives from those who may not be accustomed to utility and regulatory processes.

IX. PacifiCorp should integrate local renewable energy goals in future IRPs

We appreciate that PacifiCorp has identified the potentially significant new renewable resource acquisition needs for Utah communities resulting from Utah's HB 411 in its IRP. Multnomah County and other communities in the state are eager to work with PacifiCorp to develop a similar pathway for meeting specific community renewable energy targets through new renewable resource development and/or acquisition. Portland General Electric's Green Future Impact, of which Multnomah County is a proud participant, provides a pathway for communities to not just transition to renewable energy, but do so in a way that ensures additionality, recognizes the system value of the resources customers are sponsoring, supports local community and workforce benefits, and leverages the purchasing power of large users to achieve renewable energy goals in a cost effective way. We are confident that through strong utility partnership and regulatory support, and with intentional dialogue with a wide range of community partners, we can collectively accelerate a just clean energy transition.

X. Conclusion

Multnomah County thanks the OPUC again for considering our comments on PacifiCorp's IRP. We encourage the OPUC and PacifiCorp to refine the 2019 IRP plan so that it represents a more meaningful shift towards a utility of the 21st Century and reflects the urgency of the climate crisis. This includes rapidly reducing its GHG emissions by transitioning to renewable resources in a manner that is rooted in community values and priorities. Multnomah County is eager to continue working with PacifiCorp, the OPUC, community-based organizations, and other key stakeholders to realize this vision through the process and outcomes of this and future IRPs.

Respectfully submitted this 4th day of March, 2020.

Sincerely,



Deborah Kafoury
Multnomah County Chair